

***Until this report is published, even if it is ultimately to be considered in Part 1, it should not be circulated beyond the Cabinet (excepting officers writing and reviewing the paper through this process) or sent externally, and its contents should be treated as confidential.***

**London Borough of Enfield  
Overview and Scrutiny Committee**

**Meeting Date 17<sup>th</sup> February 2021**

---

**Subject: Procurement Services Update**

**Cabinet Member: Cllr Maguire**

**Executive Director Fay Hammond**

**Key Decision:**

---

**Purpose of Report**

1. To provide an update to the Overview and Scrutiny Committee on Procurement Services, following on from the OSC Workstream.

**Proposal**

2. This report seeks to update on progress made since the OSC Workstream and inform on future proposals.

**Reason for Proposal**

3. The Council selected the review of Procurement Services as an Overview and Scrutiny Workstream. This report sets out progress made and future actions to further develop the procurement function.

**Relevance to the Council Plan**

4. Procurement Services is an enabling service and supports Council services through procurement to support the delivery of homes in well-connected neighbourhoods, safe, healthy, and confident communities, and an economy that works for everyone.

**Background**

5. All Councils are facing the same financial challenges, and the potential impact of Brexit on procurement. Nationally councils face procurement challenges; balancing Value for Money against procurement processes, to increase local spend to support local economies, and to embed equalities and social value, through the procurement cycle.

6. The Procurement Scrutiny Workstream started in October 2019. This was initially in response to the number of procurements that had been 'called in'; members wanted to investigate the procurement process in more detail and establish whether the Procurement Service was functioning correctly and was achieving best value for the Council.
7. Three meetings have been held to review the services, four have been scheduled but one has been cancelled. The first meeting on the 8<sup>th</sup> October 2019 set out the scope of the workstream and provided an introduction to the Procurement Service.
8. The second meeting on the 28<sup>th</sup> January 2020 presented the Procurement Service team structure and set out the roles and responsibilities of the officers within the team. It also reviewed the benefits of local spend and looked at the National TOMs (Themes, Outcomes and Measures) in relation to social value.
9. The third meeting held on 27<sup>th</sup> February provided an update on the Constitution and Contract Procedure Rules by the Legal & Governance Team.
10. The fourth meeting was due on the 31<sup>st</sup> March 2020 but was cancelled due to Covid-19 and national lockdown.
11. Subsequent meetings were suspended due to the Council's response to Covid-19, and then a change in Council Meetings, replacing workstreams with the Overview and Scrutiny Committee updates.

### **Main Considerations for the Council**

12. Since the cessation of the Scrutiny Meetings the Procurement Service has continued to work on the development of the Procurement Service as set out in the paragraphs 13 to 26 below.
13. As a result of Brexit, Procurement Services have made sure that the Council is compliant with new regulations. From the 1<sup>st</sup> January 2021 the UK no longer has to advertise on the Open Journal of the European Union, but on the UK e-procurement portal 'Find a Tender'. A Public Procurement Notice 11/20 was published in December 2020 which allows below threshold procurement to reserve to SME's/VCS organisations, and location to county or country. Pre Brexit-UK regulations still remain in place for the time being, so there is no other immediate impact of Brexit. A green paper is out for consultation until March 2021, setting out the Government's approach to procurement legislation post Brexit.
14. The Procurement Service has focused on five key areas:
  - a. The structure of the service
  - b. Benchmarking for equalities in procurement
  - c. Contract Procedure Rules
  - d. New Sustainable & Ethical Procurement Policy
  - e. Future development

15. With the planned phased step down and eventual end of the EY co-managed procurement contract, the future structure of the Procurement Service needed to be addressed. A proposed structure was developed in spring 2020 and went through to consultation across the early summer. As part of the consultation the proposal was presented to the Departmental Procurement Board. The substance of the proposals was well received especially in the model of category management and a business partnering approach giving closer alignment to the Council's services. However more work was required with the senior management elements of the structure and affordability given the challenges of the Council's Medium-Term Financial Plan.
16. As part of a refresh of the structure proposals a peer review was carried out during November and December 2020. This report was helpful in identifying areas of strength and where development and improvements are needed. A report on findings was considered by the Council's Executive Management Team on 12<sup>th</sup> January which was positively received. This report will be used as the action plan to develop Procurement Services further.
17. The scope of Procurement Services and the necessary supporting structure are still under development. Building on the recognition that a Strategic Category Lead Model is needed there is also a focus on supporting close working at a strategic level with services to maintain the procurement forward plan and contract register to support more strategic procurement planning. Additionally, resources need to be diverted to support effective contract management, and Digital Services procurement expertise has also been identified as adding value to the team.
18. The recruitment of highly skilled procurement staff is a challenge, especially in London. Many London Boroughs rely on interims, which in turns fuels an interim market where staff can earn more money. Local Authorities are competing against the private sector for experienced staff and are often not in a position to compete on salary. In 2019 a role at MM1 level did not attract any applicants. Some London Boroughs are paying up to £10,000 more for similar roles. This may need to be factored into the recruitment of new staff.
19. The peer review also highlighted the need to invest in more effective systems to support Procurement Services' objectives for the future. This will enable the service to act more strategically with better spend analytics to support forward planning, provide greater contract visibility and facilitate the monitoring of contracts for social value, equalities, and climate action outcomes. A review of suitable systems is currently being undertaken.
20. Following an audit of Contract Management one of the main findings was a lack of 'central overview' of contract management. To address this a contract management module has been reviewed to provide support to services and to create a repository to hold contractual information centrally. Additionally, better guidance and information on Contract Management is now available on the intranet. A training plan is being developed to support service contract managers. The embedding of effective contract

management is key to the monitoring and embedding of social value, and delivery of Procurement and Council policies.

21. In respect of Contract Management some strong groundwork has been done in response to Covid 19, and supplier resilience reviews have been carried out in conjunction with Finance Services, with these reviews being embedded as 'business as usual' going forward to manage supplier risk.
22. The Council's existing Sustainable Procurement Policy has expired and a new one is now being drafted. The scope of this Policy has been expanded to include equalities, to become the Sustainable and Ethical Procurement Policy. This will set out how the Council will ensure that social value, local spend, climate action and equalities are embedded in Council Contracts through procurement. This is due to go to Cabinet for approval in September 2021 following consultation.
23. To increase Social Value within procurement the Social Value Portal will be rolled out across the Council, following a successful pilot within Meriden Water team. This will provide the Council with transparency and monitoring of the social value it obtains. The project to roll out the portal has started, and the aim is for the portal to be in place by June 2021.
24. As part of the Fairer Enfield programme and development of the Council's Equalities policy, the Council used the Equality Framework for Local Government as a self-evaluation tool to inform the implementation of equality in procurement. Procurement Services have then used the LG Equality Framework work to create an action plan to support implementation of equalities in procurement. As part of this an Equality in Procurement Guide has been developed which was presented to and agreed at EMT on 12<sup>th</sup> January 2021, to better inform suppliers of the Council's intentions regarding equalities and sets out its expectations from Suppliers. The guide is due to be presented at the Equalities Board 11<sup>th</sup> March 2021, followed by the Members Equalities Board. The Council's contract standard Terms and Conditions have been updated to reflect equalities requirements. Procurement documentation and selection questions are now in development to support the implementation.
25. In July 2020 the Council's new Contract Procedure Rules were launched. Several workshops and training sessions were held via MS Teams to support the implementation. The main changes in the CPRs were the raising of the threshold for one quote to £25,000 and removing the need to use the London Tenders Portal to make it easier for SME's and small businesses to do business with the Council.
26. Finally, the Procurement Strategy is being refreshed, with a particular focus on increasing spend with local suppliers and SMEs/VCS organisations. It will set out the aims and objectives of the services for the next three to five years. This will be reviewed in response to changes in legislation post Brexit once these are known.

### **Safeguarding Implications**

27. There are no safeguarding implications.

### **Public Health Implications**

28. There are no Public Health implications.

### **Equalities Impact of the Proposal**

29. There is no adverse impact on equalities through this contract.

### **Environmental and Climate Change Considerations**

30. There are no considerations within this report.

### **Risks that may arise if the proposed decision and related work is not taken**

31. This is an update report, any actions not taken may affect the Council's ability to manage spend and contracts.

### **Risks that may arise if the proposed decision is taken and actions that will be taken to manage these risks**

32. This is an update report, actions taken will support the Council's ability to drive VFM and effective contracts that meet need.

### **Financial Implications**

33. None.

### **Legal Implications**

34. None.

### **Workforce Implications**

35. None.

### **Property Implications**

36. None.

### **Other Implications**

37. None.

### **Options Considered**

38. Not applicable.

### **Conclusions**

39. This report provides an update on Procurement Services since March 2020.

---

Report Author: Claire Reilly  
Head of Procurement Resources & People  
Claire.Reilly@enfield.gov.uk  
020 8312 2027

Date of report 28<sup>th</sup> January 2021

**Appendices**

None

**Background Papers**

Reports to Overview and Scrutiny over the past eighteen months.